

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: 27 June 2013

COMMITTEE: Finance and Performance Committee

CHAIRMAN: Mr I Reid, Non-Executive Director

DATE OF COMMITTEE MEETING: 29 May 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 52/13/1:-

- discussion on ED performance (which already featured on the Trust Board meeting agenda), and
- proposals to reschedule the Quality Assurance Committee meetings to ensure availability of key quality and performance data.

DATE OF NEXT COMMITTEE MEETING: 26 June 2013

Mr I Reid
21 June 2013

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE, HELD
ON WEDNESDAY 29 MAY 2013 AT 9.15AM IN THE C J BOND ROOM, CLINICAL
EDUCATION CENTRE, LEICESTER ROYAL INFIRMARY**

Present:

Mr I Reid – Non-Executive Director (Committee Chair)
Mr J Adler – Chief Executive
Mr R Kilner – Non-Executive Director
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:

Mr P Burns – Head of CIP Delivery (for Minute 52/13/2)
Ms K Jenkins – Non-Executive Director
Mrs K Rayns – Trust Administrator
Mr J Tozer – Interim Director of Operations

ACTION

RESOLVED ITEMS

49/13 APOLOGIES AND WELCOME

The Committee Chairman welcomed Ms K Jenkins, Non-Executive Director to the meeting. Apologies for absence were received from Mr S Sheppard, Deputy Director of Finance.

50/13 MINUTES

Resolved – that the Minutes of the Finance and Performance Committee held on 24 April 2013 (papers A and A1) be confirmed as a correct record.

51/13 MATTERS ARISING

51/13/1 Matters Arising Report

The following items were noted in respect of the matters arising report provided at paper B:-

- (a) Minute 39/13/2 – the Deputy Director of Finance had not yet circulated a refreshed version of the contracted staffing table (page 6 of paper D from the 25 April 2013 meeting refers); **DDF**
- (b) Minute 40/13/4 – the Director of Finance and Business Services reported that QIPP schemes for the City and the County were now available and these would be shared with the relevant service leads and integrated into Divisional plans accordingly, and **DFBS**
- (c) Minute 29/13/1 – the Interim Director of Operations provided feedback from the Executive Team’s consideration of proposals to protect elective day case activity from the impact of emergency activity, noting the arrangements to create a Surgical Day Case Facility on Ward 1 at LGH, and create decant accommodation on Odames Ward for the Haematology wards whilst ventilation work was carried out. He also reported on the exploration of modular ward accommodation at Glenfield Hospital with the aim of creating additional acute capacity on the LRI site to support winter activity levels.

In discussion on item (c) above, Mr R Kilner sought and received assurance that any planning permission requirements were being addressed through the Estates Reconfiguration Programme. The Chief Executive requested that the Interim Director of Operations provide outline details of the above proposals for inclusion in the next iteration of the Chief Executive’s briefing note. Following discussion, it was noted that the Chief Executive’s briefing notes were circulated to the Non-Executive Directors via their UHL email addresses. The Patient Adviser commented that the briefing notes were also made **IDO**

available on the Trust's Intranet.

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

52/13 2013-14

52/13/1 Month 1 Quality and Performance Report

Paper C provided an overview of UHL's quality, patient experience, operational targets and HR performance against national, regional and local indicators for the month ending 30 April 2013. A separate review of UHL's month 1 financial performance for 2013-14 was provided at paper C1 (Minute 52/13/3 below refers). The Interim Director of Operations particularly highlighted the following aspects of UHL's operational performance:-

- (1) the 2013-14 NTDA Oversight Indicators provided in section 2 of the management commentary. These were expected to be expanded as and when additional NTDA guidance on the routine quality and governance indicators emerged;
- (2) in line with best practice, data was reported for the current month's performance and comparisons provided for the previous month and the current month last year;
- (3) RTT admitted performance had not been achieved in 4 specialities and non-admitted RTT had not been achieved in Ophthalmology. Recovery trajectories had been agreed for all specialities to bring performance back on track;
- (4) 62 day cancer performance for March 2013 was 81.5% against a target of 85% and the cumulative position for 2012-13 was 83.5%. A trajectory to comply with this performance target by the end of Quarter 1 had been prepared, but the CCGs had requested additional clarity regarding the tumour specific trajectories. All 62 day pathway breaches were reviewed by at MDT meetings to expedite any delays;
- (5) cancelled elective operations on or after the day of admission for non-clinical reasons stood at 1.4% against the target of no more that 0.8%. Improvements in performance were being addressed through the theatre transformation programme, service reconfiguration and provision of additional day case capacity, and
- (6) ED performance against the 95% 4 hour target stood at 82% although UHL's performance was noted to be coming into line with the recovery trajectory submitted to the CCGs and the TDA. Separate reports on Emergency Care had been submitted to the 30 May 2013 Trust Board meeting and detailed discussion of the key issues would take place at that meeting during the public session to promote transparency.

CE/IDO

Mr I Reid, Non-Executive Director and Committee Chair requested additional information relating to the fines expected to be incurred for not achieving RTT performance and how these were handled within the Trust's financial reporting mechanism. The Director of Finance and Business Services advised that no provision was made for such fines within the financial plan (with the exception of an element of CQUIN payments). He agreed to summarise the structure of performance fines in a report to the 26 June 2013 Finance and Performance Committee meeting.

DFBS

Ms J Wilson, Non-Executive Director sought assurance regarding the impact of RTT performance on patient care. The Interim Director of Operations advised that the following 2 new targets had been developed within the NTDA Oversight Indicators to protect the interests of patients beyond the 18th week of their pathways:-

- cancelled operations re-booked within 28 days, and
- urgent operations being cancelled for the second time.

Discussion took place regarding imaging diagnostic delays within the 62 day cancer pathway which were being addressed through a strengthened management structure of the Cancer Centre and additional cancer tracking resources. Members noted that proposals for additional investment in Imaging Services were due to be presented to the Committee in

DFBS

August 2013 and that arrangements were being progressed to address delays and improve transparency surrounding the Managed Equipment Service (MES) provided by Asterol.

The Committee Chair queried the trajectory for Clostridium Difficile infections, noting that 6 cases had been reported for April against a monthly trajectory of 9 and a full year target of no more than 67. In view of the substantial fines for exceeding the maximum number of infections (£50,000 per patient) he requested additional assurance be provided on this point. In response, the Chief Executive reported on the resolution of a funding issue surrounding revised antibiotic prescribing and agreed to discuss the trajectory further with the Acting Chief Nurse outside the meeting. He also suggested that the Quality Assurance Committee (QAC) would be the appropriate forum to consider this trajectory in more detail, although this Committee currently met too early in the month to ensure availability of the Quality and Performance Report. The Trust Administrator was requested to explore opportunities to reschedule the QAC meeting dates to address this issue.

CE

TA

Ms J Wilson, Non-Executive Director sought and received assurance regarding the patient care impact of 29 stroke TIA patients refusing their first appointments and the cancellation of 6 clinics arising from short notice staffing issues.

The Committee Chair particularly noted (from page 7 of the Heatmap report) that staff turnover had been higher than usual over the last 3 months (12.3% in February, 12.6% in March and 12.4% in April 2013) and he queried the reasons for this. The Interim Director of Operations undertook to request the Director of Human Resources to provide an update on this issue at the 30 May 2013 Trust Board meeting.

IDO/
DHR

Post meeting note: at the 30 May 2013 Trust Board meeting the Director of Human Resources confirmed that 660 members of staff had transferred to Interserve in March 2013 and that staff turnover was calculated on a rolling 12 month basis. Excluding the impact of staff transferring to Interserve, the Trust's actual turnover for April 2013 had been 8%.

Resolved – that (A) the month 1 Quality and Performance report (paper C) be received and noted;

(B) detailed discussion on ED performance and emergency care issues be held during the public Trust Board meeting on 30 May 2013;

CE/IDO

(C) a summary of the structure of performance fines be provided to the 26 June 2013 Finance and Performance Committee meeting;

DFBS

(D) proposals for additional investment in Imaging Services be presented to the August 2013 Finance and Performance Committee meeting;

DFBS

(E) additional assurance regarding the Trust's trajectory for Clostridium Difficile infections be provided to the Finance and Performance Committee following discussion with the Acting Chief Nurse outside the meeting, and

CE/ACN

(F) the Trust Administrator be requested to explore opportunities to reschedule the Quality Assurance Committee meetings around the availability of Quality and Performance reports.

TA

52/13/2 Cost Improvement Programme (CIP)

Mr P Burns, Head of CIP Delivery attended the meeting to present paper D which updated the Committee on the current status of the Trust's 2013-14 Cost Improvement Programme. The CIP currently consisted of 321 schemes with a total delivery value of £37.958m against a £40.4m target representing a shortfall of £2.4m.

Members expressed concern at the apparent loss of focus and rigour since Mr S Leivers,

Director of Service Delivery had left the Trust, but received assurance that expectations surrounding CIP management had been appropriately reinforced. All Divisions were now expected to provide weekly written updates on the progress of their CIP schemes which were subjected to fortnightly confirm and challenge meetings and reviewed by the Executive Team on a regular basis.

Additional schemes were actively being developed to mitigate against the currently identified shortfall and the risk of any non-delivery of existing schemes. These additional schemes would focus around the theatre improvement programme, outpatients, procurement, stock management systems, pharmacy and medicines procurement and IM&T services. The Director of Finance and Business Services reinforced the robust approach to escalating CIP owners' responsibilities in respect of their duties to deliver the forecast savings or develop alternative schemes to cover any shortfall.

The Chief Executive provided feedback from the Executive Performance Board meeting held on 28 May 2013, emphasising the importance of adjusting CIP targets and income and expenditure budgets to accurately reflect the additional bed capacity being kept open to support UHL's emergency care delivery.

In discussion, members sought and received additional information on the following aspects of the Trust's 2013-14 CIP.

- (a) Ms J Wilson, Non-Executive Director queried the scope to increase savings in respect of workforce, transforming transcription and administrative and clerical redesign;
- (b) Mr R Kilner, Non-Executive Director noted the need for clear mapping between gaps in the Trust's medical workforce and opportunities for further savings, and
- (c) Ms K Jenkins, Non-Executive Director queried the level of confidence that the full £40.4m target would be delivered by the end of 2013-14.

It was agreed that the CIP update for the 26 June 2013 Finance and Performance Committee meeting would include a trajectory for the phasing of movements in the CIP RAG rating.

HCIPD/
DFBS

Following the departure of Mr P Burns, Head of CIP Delivery from the meeting, the Committee Chair expressed concern that Mr Burns had only been appointed on a fixed 6 month contract and he queried what arrangements would be put in place when his contract ended in October 2013. In response, the Chief Executive confirmed that the future arrangements for CIP management would be addressed through the Improvement and Innovation Framework.

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

(B) the next CIP update to the 26 June 2013 Finance and Performance Committee meeting include a trajectory for the phasing of movements in CIP RAG rating, and

HCIPD/
DFBS

(C) the future arrangements for UHL's CIP management (post October 2013) be addressed through the Improvement and Innovation Framework.

CE

52/13/3 Financial Performance 2013-14 – April 2013

The Director of Finance and Business Services introduced paper C1, a summary of UHL's month 1 financial performance, advising that a consolidated report on quality, performance and financial data had been submitted to the 30 May 2013 Trust Board meeting. The Committee particularly noted that:-

- (a) the Trust was reporting a deficit of £0.99m for April 2013 which was £0.6m adverse to the planned £0.4m deficit;
- (b) the month 1 position included £1.3m of the contingency assumed within the Annual

- Operational Plan and that a separate reporting line within the Income and Expenditure summary (table 1) would be created for future reports;
- (c) the rolling 3 month forecasts provided at appendix 1 to paper C would be subjected to further review at the next Divisional Confirm and Challenge meeting. Robust and inclusive planning processes were in place and the proposed variances to realistic pay and non-pay budgets were not likely to be accepted; DFBS
 - (d) a report on non-pay controls and revised reporting arrangements would be presented to the Finance and Performance Committee on 26 June 2013, and ADPS/
DFBS
 - (e) a £20m cash balance had been maintained during April 2013 and the backlog of invoices had now been cleared following the extension of payment terms at the end of the 2012-13 financial year. Actions were in place to prevent the daily operational level of cash falling below the £2m allowable minimum.

Discussion took place regarding the accountability arrangements for CBU forecasts and a suggestion was received from Ms K Jenkins, Non-Executive Director that CBUs might be directed to submit their detailed plans alongside the associated risks and opportunities (instead of forecasts).

The Chief Executive provided an update in respect of the proposed revenue bid for strategic financial support during 2013-14 in order to progress the necessary strategic projects to move towards a sustainable service configuration, create capacity to offset current and future operational pressures, replenish contingency reserves and cover the underlying financial deficit in Quarter 1. He also noted the need for improved income and expenditure balance sheet discipline alongside the current focus on CIP delivery.

Resolved – that (A) the month 1 Financial Performance report (paper C1) be received and noted;

(B) use of contingency funding be established as a separate reporting line within the income and expenditure table for future iterations of the financial performance report; DFBS

(C) further challenge of the CBU 3 month forecasts be undertaken through the Divisional Confirm and Challenge meetings, and DFBS

(D) the Assistant Director of Procurement and Supplies be requested to present an update on non-pay expenditure controls and revised reporting processes to the 26 June 2013 Finance and Performance Committee meeting. ADPS/
DFBS

52/13/4 Review of Capita Coding in ED

Further to Minute 19/13 of 27 February 2013, the Interim Director of Operations presented paper E which apprised the Committee of the current progress of the review of A&E coding practice at UHL. An updated action plan was provided at appendix 1. Members noted that the audits of ED coding were expected to commence in June 2013 and a further update report would be presented to the Committee in July 2013. IDO

Resolved – that (A) the update report on Capita coding in ED (paper E) be received and noted, and

(B) a further update report be presented to the 24 July 2013 Finance and Performance Committee to include the results of the expected ED coding audit. IDO

53/13 **REPORT BY THE CHIEF EXECUTIVE**

Resolved – that this item be classed as confidential and taken in private accordingly.

54/13 **INFORMATION MANAGEMENT AND TECHNOLOGY (IM&T)**

The Director of Finance and Business Services introduced paper G providing an overview of the transfer of IT service delivery operations to IBM and NTT and the development of business cases for the transformational projects set out in the contract.

The indicative costs for provision of the clinical portal to create a single access to UHL's clinical systems had been higher than expected (in the region of £6m). It was now proposed to defer this project and proceed with the selection of an electronic patient record (EPR) package as some of the available EPR application packages also offered embedded clinical portals. In the meantime, interim operational improvements were being pursued to reduce the number of passwords and separate access points to clinical systems.

The Committee noted that business cases for the procurement of the electronic patient record, electronic document records management and managed print services were planned to be presented to the Trust Board on 27 June 2013 for approval.

DFBS

The Chief Executive advised that IM&T related issues had been one of the most frequently raised topics at the Listening into Action (LiA) events and he commented upon the opportunities to harness LiA staff engagement techniques within the IM&T projects. The Director of Finance and Business Services was requested to ensure that IBM were made aware of the LiA approach adopted by the Trust and connected appropriately with the relevant LiA workstreams.

DFBS

Resolved – that (A) the update on IT service delivery and development of business cases (paper G) be received and noted,

(B) business cases for electronic patient record, electronic document records management and managed print services be presented to the 27 June 2013 Trust Board meeting for approval, and

DFBS

(C) the Director of Finance and Business Services be requested to ensure that IBM were aware of the LiA approach and connected with the relevant LiA workstreams.

DFBS

Resolved – that this item be classed as confidential and taken in private accordingly.

55/13 REVIEW OF PLICS/SLR AND REFERENCE COSTS

Paper I provided an update report on the continued development of the Patient Level Information and Costing System (PLICS) and Service line Reporting (SLR). The report also detailed the forthcoming 2012-13 reference costing submission which would be presented to the Finance and Performance Committee and Trust Board meetings at the end of June 2013 for formal approval.

DFBS

The Director of Finance and Business Services commented on opportunities to strengthen the availability of market assessment data, the migration arrangements from Service Line Reporting to Service Line Management and organisational engagement in the profit and loss positions for UHL's services. Business awareness sessions for Consultants had been well attended and positive feedback had been received. A waiting list was being maintained for additional sessions which would be held over the next 3 months.

Resolved – that the 2012-13 Reference Cost submission be presented to the 26 June 2013 Finance and Performance Committee and 27 June 2013 Trust Board meetings for formal approval.

DFBS

56/13 MINUTES FOR INFORMATION

56/13/1 Divisional Confirm and Challenge

Resolved – that the notes of the 17 April 2013 Divisional Confirm and Challenge meeting (paper N) be circulated to Finance and Performance Committee members for information (once available).

DFBS

56/13/2 Quality Assurance Committee (QAC)

Resolved – that the Minutes of the 16 April 2013 QAC meeting (paper J) be received and noted.

56/13/3 Quality and Performance Management Group (QPMG)

Resolved – that the notes of the 10 April 2013 QPMG meeting (paper K) be received and noted.

56/13/4 CIP Programme Board

The Committee noted that the CIP Programme Board due to be held on 29 April 2013 had been cancelled and that the agenda items due to be discussed at the CIP Programme Board were now discussed at the monthly Executive Performance Board meetings.

In addition, the Chief Executive advised that the CIP Delivery Board still met regularly and that CIP performance was scrutinised by the Executive Performance Board and wider transformation schemes would be monitored by the Improvement and Innovation Framework Board.

Resolved – that the information be noted.

57/13 **ITEMS FOR DISCUSSION AT THE NEXT FINANCE AND PERFORMANCE COMMITTEE**

Ms J Wilson, Non-Executive Director suggested that it would be helpful for the Committee to provide some guidance on the level of granularity required within the Workforce Plan and whether this would focus on permanent or temporary staffing. Members agreed that an equal focus between permanent and temporary staffing would be required.

DHR

Mr R Kilner, Non-Executive Director requested that consideration be given to deferring the item on the 2013-14 Capital Programme and Future Capital Requirements for Reconfiguration to the July 2013 Finance and Performance Committee meeting to allow for proper consideration of the reconfiguration requirements at the Trust Board development session on 24 June 2013.

TA

Resolved – that the items for consideration at the Finance and Performance Committee meeting on 29 May 2013 (paper L) be noted.

58/13 **ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD**

Resolved – that the following issues be highlighted verbally to the Trust Board meeting on 30 April 2013:-

FPC
CHAIR

Minute 52/13/1 – discussion on ED performance (which already featured on the Trust Board meeting agenda) and proposals to reschedule the Quality Assurance Committee meetings to ensure availability of key quality and performance data.

59/13 **ANY OTHER BUSINESS**

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

60/13 DATE OF NEXT MEETING

Resolved – that the next Finance and Performance Committee be held on Wednesday 26 June 2013 from 9.15am – 12.15pm in the Board Room, Victoria Building, Leicester Royal Infirmary site.

The meeting closed at 12.02pm

Kate Rayns,
Trust Administrator

Attendance Record

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
I Reid (Chair)	2	2	100%	G Smith *	2	2	100%
J Adler	2	2	100%	J Tozer *	2	2	100%
R Kilner	2	2	100%	J Wilson	2	1	50%
A Seddon	2	2	100%				

* non-voting members