

Trust Board Paper K

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 2 July 2015

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Ms J Wilson, Non-Executive Director

DATE OF MEETING: 25 June 2015

This report is provided for the Trust Board's information in the absence of the formal Minutes, which will be submitted to the Trust Board on 6 August 2015.

SPECIFIC RECOMMENDATIONS FOR THE TRUST BOARD:

- none

SPECIFIC DECISIONS:

- **Draft Reference Costs submission** – in view of the 29 July 2015 deadline for final submission, the Committee provided delegated authority to the Director of Finance to finalise and submit UHL's reference costs return. A copy of the finalised return would be provided to the Committee for completeness.

DISCUSSION AND ASSURANCE:

- **Matters arising:-**
 - the requested IM&T awareness session for Board members had been arranged for 4pm on Thursday 27 August 2015;
 - arrangements had been put in place for external scrutiny of UHL business cases, and
 - the outputs of the Annual Operational Plan lessons learned review would be presented to the next available meeting of the Executive Strategy Board;
- **CMG Presentation (Renal Respiratory and Cardio-Vascular)** – topics discussed included:-
 - robust and consistent performance against RTT targets;
 - actions being taken to improve performance for 62 day lung cancer (including the appointment of an additional resource to track cancer patients earlier within their 62 day pathway);
 - a financial surplus delivered in 2014-15 (£51k) and assurance provided that the 2015-16 control total would also be delivered;
 - key achievements in respect of Friends and Family Test scores, staff survey results and the opening of the new Dialysis Unit in Northampton;
 - good control of agency nursing expenditure and accountability arrangements, whilst maintaining safe staffing levels on all wards (in parallel). Opportunities were identified for wider organisational learning in respect of the authorisation processes in place within this CMG;
 - close scrutiny of medical agency expenditure, recognising the shortage of technical expertise in some key areas;

- the role of the embedded CMG Transformation Lead in respect of generating service improvements, influencing culture change and delivery of the enabling schemes underpinning wider efficiency schemes;
- strategic developments (eg pathway efficiencies, weekend working and virtual outpatient clinics);
- recognition of the requirement to support small clinical teams alongside detailed monitoring of the patient outcomes data and internal performance metrics;
- potential reasons for a recent increase in sickness absence rates (mainly relating to the increased proportion of long term sickness cases);
- action plan in place to ensure that the transplant lab was re-accredited within the next 8 weeks;
- an adverse non-pay position which was attributed to additional Cardiology and Catheter Lab activity and early volatility in the managed service for cardiology consumables, and
- opportunities to develop a sharing culture between the CMGs in respect of staffing and resources;
- **Empath governance arrangements and development of the Strategic Outline Case** – the Director of Finance provided a verbal progress report, confirming that substantive reports on the Empath governance arrangements and the business case development would be submitted to the IFPIC meeting on 24 September 2015;
- **Alliance – update on governance arrangements (including delegated approvals limits)** – the Director of Finance and the Director of Strategy briefed members on progress with development of the Planned Care elements of the Better Care Together Programme and the scope for service reconfiguration within Dermatology, Endoscopy and Pain Management. A substantive report would be provided to the 24 September 2015 IFPIC meeting;
- **Unfunded cost pressures 2015-16** – received and noted;
- **Resource issues related to delivery of the Trust's Annual Priorities 2015-16** – the Committee received assurance regarding appropriate triangulation between efficient use of resources, patient safety and quality of care. Particular discussion took place regarding the resource constraints affecting development of the Trust's Commercial Strategy. The Committee noted that quarterly progress reports on delivery of the Annual Priorities would be provided to the Trust Board;
- **Strategic Business Cases approvals process:-**
 - the Committee requested that an overview of the business case sequencing be provided to the August 2015 Trust Board meeting, including clarity on whether the business cases were OBC or FBC, breakdowns of capital and revenue funding streams, and the relevant external approvals routes;
 - further discussion was to be scheduled to clarify the Audit Committee's role in the business case review process, but as a minimum this was expected to focus on the outputs of Gateway reviews and value for money considerations within the procurement process;
 - any significant infrastructure costs within the respective schemes to be separated out into discreet site reconfiguration programmes;
 - a number of changes were proposed to the business case covering template (including confirmation of the contribution towards the Trust's deficit reduction, underpinning assumptions, risks relating to IM&T and training issues, and arrangements for Commissioner sign-off and patient and stakeholder engagement);
 - the updated business case approvals process would be presented to the 30 July 2015 IFPIC meeting (for information), noting that the first tranche of business cases would also be considered at that meeting;
- **Month 2 Quality and Performance** – the Committee noted:-
 - achievement of the May 2015 RTT targets and that June 2015 was on track to deliver compliant performance. The Committee commended this performance recognising the significant efforts that had contributed to this improvement;
 - that a detailed update on fractured neck of femur performance would be presented to the 30 July 2015 IFPIC meeting – to include relevant clinical input;
 - improving ED performance, despite increasing levels of emergency admissions – a detailed discussion on this issue was deferred to the 2 July 2015 Trust Board meeting to avoid duplication at this Committee;
- **Review of Cancer Performance** – the Committee received the report highlighting internal and external factors affecting UHL's current cancer performance and discussed the detailed plans in place for re-delivering sustainable compliant performance by the end of August or beginning of September 2015. A further update on this key issue was requested for 30 July 2015, including the

scope for inviting a fresh eyes approach;

- **Planned Patients** – following a detailed review of UHL’s planned waiting lists, 4 further issues had been identified affecting the planned waiting lists for Urology, Allergy, Maxillo-Facial and Endoscopy Services. The Committee requested that additional assurance be provided to the 30 July 2015 meeting in the form of a RAG rated summary of all planned waiting lists, confirmation of the arrangements for an independent review and the outcome of the ongoing SUI investigation. Arrangements would also be made for the Audit Committee to review this issue on 3 September 2015;
- **Month 2 financial performance** – the Committee noted an adverse movement to plan of £1.5m and commented upon the Executive Performance Board discussions relating to CMG and Corporate Directorate recovery plans. Opportunities to improve the ratio between bank and agency staffing were supported (eg weekly payment for additional bank shifts);
- **Delivery of the 2015-16 financial plan** – the Committee noted opportunities to seek further efficiencies from the well-performing CMGs and strengthen the lead accountability arrangements for the workforce related themes. The Director of Finance was requested to present a follow-up report to the 30 July 2015 IFPIC meeting;
- **Update on the Working Capital Strategy** – the Committee received and noted the report, commenting upon the scope to improve performance against the Better Payment Practice Code (BPPC) and separate out the issues currently affecting BPPC (eg financial processes, wider organisational issues, and cash flow). The Committee also discussed opportunities to segregate the capital and current account balances within future iterations of this report;
- **Capital Expenditure 2015-16** – the Committee received the report, noting the ongoing discussions between UHL and the TDA regarding the sequencing of business cases prior to formal sign-off by the TDA;
- **Cost Improvement Programme** – the total CIP forecast had risen to £40.6m against the £43m target and the risk adjusted total stood at £28.9m. Work was continuing to address the remaining gap through weekly escalation meetings with the relevant CMGs. All 7 of the embedded CMG Transformation Leads had now been appointed and assurance was provided regarding the arrangements for knowledge and skills transfer. A further batch of CIP quality impact assessments was expected to be signed off by the Acting Chief Nurse and Acting Medical Director on 26 June 2015 prior to submission to Commissioners on 29 June 2015. An update on the service reviews would be provided to the Committee on 30 July 2015, and
- **Overview of the Outpatients Cross-Cutting CIP theme** – the Committee commended the work being undertaken to standardise OPD clinic templates and improve utilisation of OPD clinic capacity, reflecting upon the improvements over the last 2 years.

DATE OF NEXT COMMITTEE MEETING: 30 July 2015

Ms J Wilson – Committee Chair
25 June 2015