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**UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST**

**REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD**

**DATE OF TRUST BOARD MEETING: 6 October 2016**

**COMMITTEE: Integrated Finance, Performance and Investment Committee**

**CHAIR: Mr M Traynor, Non-Executive Director**

**DATE OF COMMITTEE MEETING: 25 August 2016**

**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:**

- None

**DATE OF NEXT COMMITTEE MEETING: 29 September 2016**

**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 25 AUGUST 2016 AT 9AM IN THE BOARD ROOM, VICTORIA BUILDING, LEICESTER ROYAL INFIRMARY**

**Voting Members Present:**

Mr M Traynor – Non-Executive Director (Committee Chair)  
Mr J Adler – Chief Executive  
Mr A Johnson – Non-Executive Director  
Mr R Mitchell – Chief Operating Officer  
Mr R Moore – Non-Executive Director  
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  
Mr N Callow – Empath Finance Director/Chief Financial Officer (for Minute 92/16/4)  
Mrs S Everatt – Interim Trust Administrator  
Ms L Gallagher – Workforce Development Manager (for Minute 92/16/1)  
Mr G Garcea – Clinical Director, Cancer, Haematology, Urology, Gastroenterology and General Surgery CMG (for Minute 94/16)  
Mr P Gowdridge – Head of Financial Performance and Planning (up to and including Minute 91/16/2)  
Ms Kerry Johnston – Deputy Head of Nursing, Cancer, Haematology, Urology, Gastroenterology and General Surgery CMG (for Minute 94/16)  
Mr D Kerr – Director of Estates and Facilities  
Ms H Mather – Alliance Director/Chief Financial Officer (for Minute 92/16/5)  
Mr W Monaghan – Director of Performance and Information  
Ms S Nancarrow – Deputy Head of Operations, Cancer, Haematology, Urology, Gastroenterology and General Surgery CMG (for Minute 94/16)  
Mr M Natrass – Head of Operations, Cancer, Haematology, Urology, Gastroenterology and General Surgery CMG (for Minute 94/16)  
Mr N Sone – Financial Controller  
Mrs H Stokes – Senior Trust Administrator  
Ms J Tyler-Fantom – Deputy Director of Human Resources

**RESOLVED ITEMS**

**ACTION**

**87/16 APOLOGIES**

**Resolved** – that apologies for absence from Colonel (Retired) I Crowe, Non-Executive Director; Mr A Furlong, Medical Director; Ms M Gordon, Patient Adviser, and Ms L Tibbett, Director of Workforce and OD be noted.

**88/16 MINUTES**

**Resolved** – that the Minutes of the 28 July 2016 IFPIC meeting (papers A and A1) be confirmed as a correct record.

**89/16 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 the updated information in respect of the following items:

- (a) **Minute 57/16/1(a) of 26 May 2016** – the Deputy Director of Human Resources

**DDHR**

- agreed to request an update and feedback to the matters ongoing log;
- (b) **Minute 57/16/1(b) of 26 May 2016** – the Director of Estates and Facilities had discussed the refurbishment with the Head of YDU. Capital funding would be discussed later this year;
  - (c) **Minute 29/16/1(b) of 24 March 2016** – the Women and Children’s plan had not yet been circulated, and
  - (d) **Minute 123/15(c)** – work remained ongoing on the estates ‘route map’, with completion expected in October 2016.

DEF

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

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LEADS

90/16 **FINANCE AND PLANNING**

90/16/1 Month 4 Financial Performance 2016-17

The Chief Financial Officer introduced paper C, which provided the monthly summary of performance against the Trust’s statutory duties, financial performance, cash flow and capital expenditure. IFPIC members noted that the Trust had delivered an £8.6m deficit for the year to date (page 4 of paper C), which was on plan. Members were advised of lower than expected activity against plan, which had been discussed at EPB. The Cost Improvement Programme (CIP) was reported as ahead of plan by £1.1m.

Members received assurance that the lower than expected month 4 spend on high cost drugs and devices was being verified by the Chief Pharmacist, but was largely linked to lower activity in specialised services for cardiology implantable defibrillators as detailed in paper C. Agency spend was reported as above target but members received assurances that this issue was discussed in detail at EPB, and work continued to progress this challenging trajectory.

It was reported that all quarter 1 Sustainability and Transformation Plan (STP) financial and operational trajectories had been met. Apparent local/national variation between the cancer STP funding trajectory was discussed; this would be reviewed and clarified at the September 2016 IFPIC. General discussion took place on the financial position of commissioners and the requirement to review the risk register as appropriate.

COO

CFO

**Resolved** – (A) that the month 4 financial performance report (paper C) and the subsequent discussion on this item be received and noted;

(B) that the apparent local/national variation between the cancer STP funding trajectory be reviewed and clarified at the September 2016 IFPIC; and

COO

(c) the extent to which any commissioner financial pressures were reflected in the Trust’s risk register be reviewed.

CFO

90/16/2 Report from the Chief Financial Officer

**Resolved** – that this Minute be classed as confidential and taken in private accordingly on the grounds of commercial interests.

90/16/3 Cost Improvement Programme

The Director of CIP and Future Operating Model presented paper E, which provided the monthly update on progress of the CIP programme to achieve the £35m target for 2016-17. Year to date CIP was currently ahead of target, with £10.48m achieved against a target of £9.35m at the end of July 2016. Material year to date variances for the Musculoskeletal and Specialist Surgery and Renal, Respiratory and Cardiovascular CMGs were being reviewed by the Chief Operating Officer and Chief Financial Officer. A continued £625k shortfall in-year in the Women and Children’s CMG CIP was being actively managed.

The length of stay metric had deteriorated for the past three months, and work was underway with Emergency and Specialist Medicine as its position had seen the most significant change. It was noted that the EPB had discussed long stay patients.

**Resolved – that the CIP progress report be received and noted as paper E.**

90/16/4 2016-17 Quarterly Contract Update

Paper F outlined the updated position on contractual performance against the NHS Standard Contracts for Acute and Specialised Services. Appendix 1 reported an increase in performance against planned activity as at month 3. It was noted that whilst trajectories were currently being met these would become more challenging later in the year. Indications were that there may be scope to further review back office functions.

**Resolved – that the 2016-17 quarterly contract update be received and noted as paper F.**

90/16/5 PLICS/SLR/SLM Update

Paper G outlined changes to the NHSI Costing Transformation Programme and UHL's response to meeting the challenges. Assurance was provided with regards to the scope of the new posts within the Trust's costing function and the process used to verify the need for those appointments. Members endorsed the proposal to provide the PLICS Strategy to IFPIC as part of the next quarterly PLICs update. As per section 6.2 of paper G, members noted that the Trust was required to engage in the transformation of costing across the NHS and that the Trust intended to submit data in September 2017 as a voluntary early implementer of the standards.

CFO

**Resolved – (A) that the PLICS/SLR/SLM update be received and noted as paper G;**

**(B) that the PLICS Strategy be provided to IFPIC as part of the next quarterly PLICs update, and**

CFO

**(C) the Trust's intention to submit costing data in September 2017 as a voluntary early implementer of the standards, be noted.**

CFO

91/16 **STRATEGIC MATTERS**

91/16/1 5 Year Financial Strategy

The Chief Financial Officer provided a briefing (paper H) on the 5 Year Financial Strategy outlining the key assumptions within the Financial Strategy, the bottom line income and expenditure trajectory and the next steps. Members discussed the content and conclusions of the strategy, agreeing to support the documents for submission with a review in early 2017. Members discussed the balance between realism and ambition in the plan.

CFO

**Resolved – that (A) the 5 Year Financial Strategy and subsequent discussion be noted;**

**(B) that the financial strategy be reviewed in early 2017, and**

CFO

**(C) the 5 year financial strategy be submitted to NHSI as required.**

CFO

91/16/2 OptiMed Business Case Update

The Chief Financial Officer provided a verbal update, and confirmed that the requested assurances had been received from the Chief Information Officer. Work continued regarding any other outstanding issues.

**Resolved** – that the position be noted.

91/16/3 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.

92/16 **PERFORMANCE**

92/16/1 Workforce Update

The Deputy Director of Human Resources presented paper J, a 5 Year Workforce Plan, which detailed pay expenditure and agency staffing costs, staff turnover, workforce redesign issues, staff wellbeing, and diversity. The report also featured an organisational health dashboard highlighting UHL progress against key indicators. It was noted that work was underway to address the red rated areas of the dashboard.

Members considered the ageing workforce, particularly in Estates and Facilities and Allied Health Professionals (AHP). There was now a greater understanding of the reasons for staff leaving, but further work was required on other HR issues such as communication of apprenticeship posts. The Trust Chairman asked that anecdotal perceptions around the relative levels of BME recruitment be explored further by site.

DDHR

**Resolved** – that (A) the workforce update report (paper J) and the subsequent discussion be noted, and

(B) anecdotal perceptions around the relative levels of BME recruitment at the Glenfield site be explored further.

DDHR

92/16/2 Month 4 Quality and Performance Report

Paper K 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 July 2016. The Director of Performance and Information reported positive performance in respect of the RTT incomplete target, cancer performance and diagnostics performance. It was reported that there had been a significant reduction in 52 week wait patients, with a challenging trajectory ahead. It was noted that ED performance remained disappointing as was the blip in ambulance handover performance. Further work was progressing on theatre capacity and demand to reduce bottlenecks. The Chief Operating Officer drew members' attention to the fact that of 44 trusts only 5 had achieved the STF trajectories for quarter 1, of which UHL was the only teaching Trust.

**Resolved** – that the month 4 quality and performance report (paper K) and the subsequent discussion be noted.

92/16/3 Report by the Director of Performance and Information

**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 effective conduct of public affairs.

92/16/4 Quarterly Update on Empath Financial and Operational Performance

Members received an update on Empath including details of key issues to be presented to the September 2016 IFPIC. Assessment of any associated risks would be incorporated in the October 2016 business case and September 2016 detailed briefing report.

The Committee Chairman and Non-Executive Directors expressed an interest in visiting

Empath prior to the September IFPIC. The Chief Financial Officer suggested that a wider information session may be helpful.

**Resolved – (A) that the quarterly update on Empath financial and operational performance report (paper M) and the subsequent discussion be noted;**

**(B) that the Nottingham cellular pathology review be circulated;**

**(C) that a detailed briefing be provided to the September 2016 IFPIC on the issues within paper M, ahead of FBC consideration, and**

**(D) that there be arrangement of a visit to Empath for the Committee Chair and others, if required, prior to the next IFPIC meeting and a consideration of the need for a wider information session on Empath.**

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92/16/5 Quarterly Update on Alliance Financial and Operational Performance

The Alliance Director/Chief Financial Officer attended to introduce the quarterly update on Alliance financial and operational performance (paper N).

Members were assured that surpluses were being reinvested back into services, although 2015/16 had been lower than expected due to delays in debtor payments. Members considered the progress on targets and received assurances that best practice was being shared from UHL to meet performance which was outside target. Members also received assurance on progress on operational issues. Clarity was sought over the lower than expected forecast surplus, although it was noted that the Alliance CIP was on target. Collaborative work would now take place around the shared issue of an ageing workforce in some areas.

**Resolved – that the quarterly update on the Alliance financial and operational performance report (paper N) and the subsequent discussion be noted.**

93/16 **SCRUTINY AND INFORMATION**

93/16/1 IFPIC Calendar of Business 2016-17

**Resolved – that the updated IFPIC calendar of business be received and noted as paper O.**

93/16/2 Updated Timetable for UHL Business Case Approvals

**Resolved – that the updated timetable for strategic business case approvals be received and noted as paper P.**

93/16/3 Executive Performance Board

A verbal update was provided on plans to deal with winter pressures. A more detailed update with regards to capacity and plans to deal with winter would be provided to the September IFPIC.

COO

**Resolved – (A) that the notes of the 26 July 2016 Executive Performance Board meeting be received and noted as paper Q, and**

**(B) capacity and plans to deal with 2016 winter pressures be reported to the 29 September 2016 IFPIC.**

COO

93/16/4 Capital Monitoring and Investment Committee

**Resolved – that the notes of the 15 July 2016 Capital Monitoring and Investment Committee meeting be received and noted as paper R.**

93/16/5 Revenue Investment Committee

**Resolved** – that the notes of the 15 July 2016 Revenue Investment Committee meeting be received and noted as paper S.

94/16 **CANCER, HAEMATOLOGY, GASTROENTEROLOGY AND GENERAL SURGERY (CHUGGS) CMG**

The CHUGGS Head of Operations introduced the team in attendance. The presentation detailed progress against quality and performance indicators. It was noted that further work was being undertaken to capture data from triage patients for the inpatient Friends and Family Test. It was anticipated that the texting service would achieve performance for the equivalent outpatient target.

The team highlighted to members the biggest achievements in the past 6 months. The team were congratulated for a positive YTD (£119k surplus at month 4) and forecast financial position (£146k surplus) and the knock on effect for other areas of the organisation. Members considered the proposed strategic changes to the CMG and key commitments for the next 12 months.

**Resolved** – that (A) contact be made with the Chief Nurse to discuss the potential impact on surgical nursing recruitment and retention of the 7% pay premium being offered by Medicine to nursing staff, and

CD/  
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CHUGGS

(B) details re: the palliative care chair be passed to the Clinical Director and Head of Operations of CHUGGS, for information.

CE

95/16 **ANY OTHER BUSINESS**

**Resolved** – that no items of other business were noted.

96/16 **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 1 September 2016, and

TA/ Chair

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

- Confidential Minute 90/16/2,
- Confidential Minute 91/16/3, and
- Confidential Minute 92/16/3.

97/16 **PROPOSED MEETING DATES FOR 2017 AND DATE OF NEXT MEETING**

**Resolved** – that (A) the proposed schedule of 2017 meeting dates be approved (as detailed in paper U):-

- Thursday 26 January 2017;
- Thursday 23 February 2017;
- Thursday 30 March 2017;
- Thursday 27 April 2017;
- Thursday 25 May 2017;
- Thursday 29 June 2017;
- Thursday 27 July 2017;
- Thursday 31 August 2017;
- Thursday 28 September 2017;
- Thursday 26 October 2017;

- Thursday 30 November 2017;
- Thursday 21 December 2017, and

**(B) the next meeting of the Integrated Finance, Performance and Investment Committee be held on Thursday 29 September 2016 from 9am to 1pm in the Board Room, Victoria Building, Leicester Royal Infirmary.**

The meeting closed at 1.10pm

Sarah Everatt,  
Interim Trust Administrator

**Attendance Record 2016-17**

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	5	5	100	R Mitchell	5	5	100
J Adler	5	4	80	R Moore	5	5	100
I Crowe	5	4	80	B Patel	2	2	100
S Dauncey	3	3	100	K Singh	5	5	100
A Johnson	5	5	100	P Traynor	5	4	80
P Baker	2	0	0				

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Gordon	5	4	80	L Tibbert	5	4	80
D Kerr	5	4	80				