

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 7 July 2016

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director

DATE OF COMMITTEE MEETING: 26 May 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:

- Minute 52/16/1 – Review of the UHL Procurement Strategy;
- Minute 52/16/2 – Financial Plan 2016-17;
- Minute 52/16/4 – Review of Month 12 Pay Expenditure 2015-16;
- Minute 52/16/5 – Month 1 Financial Performance;
- Minute 53/16/1 – Workforce update;
- Minute 54/16/1 – Month 1 Quality and Performance report;
- Minute 54/16/2 – East Midlands Pathology Service (Empath), and
- Minute 57/16/1 – Presentation from the Emergency and Specialist Medicine CMG

DATE OF NEXT COMMITTEE MEETING: 30 June 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 26 MAY 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
Colonel (Retired) I Crowe – Non-Executive Director
Dr S Dauncey – Non-Executive Director (from Minute 54/16/1)
Mr R Mitchell – Chief Operating Officer
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 – Finance Director, Empath (for Minute 54/16/2 only)
Mr R Gill – Finance Lead, Emergency and Specialist Medicine CMG (for Minute 57/16/1 only)
Ms M Gordon – Patient Adviser
Ms E Graves – Deputy Head of Operations, Emergency and Specialist Medicine CMG (for Minute 57/16/1 only)
Mr A Johnson – Non-Executive Director
Mr D Kerr – Director of Estates and Facilities
Ms K Khaira – Human Resources Lead, Emergency and Specialist Medicine CMG (for Minute 57/16/1 only)
Dr I Lawrence – Clinical Director, Emergency and Specialist Medicine CMG (for Minute 57/16/1 only)
Dr A McGregor – Medical Director, Empath (for Minute 54/16/2 only)
Mr W Monaghan – Director of Performance and Information
Mr R Moore – Non-Executive Director
Mrs K Rayns – Trust Administrator
Mr B Shaw – Head of Procurement and Supplies (for Minute 52/16/1 only)
Mr K Singh – Trust Chairman
Ms G Staton – Head of Nursing, Emergency and Specialist Medicine CMG (for Minute 57/16/1 only)
Ms L Tibbert – Director of Workforce and Organisational Development (up to and including Minute 54/16/1)
Ms R Williams – General Manager, Emergency Medicine and ED (for Minute 57/16/1 only)

RESOLVED ITEMS

ACTION

49/16 APOLOGIES

Resolved – that no apologies for absence were received.

50/16 MINUTES

Resolved – that the Minutes of the 28 April 2016 IFPIC meeting (papers A1 and A2) be confirmed as correct records.

51/16 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 39/16 of 28 April 2016** – the Director of Estates and Facilities advised that the outputs of the Capita survey would be available by the end of June 2016 and summary reports were planned to be presented to the appropriate Executive meeting forum and IFPIC during July 2016;

DEF

- | | |
|---|--------------------|
| (b) Minute 40/16/2 of 28 April 2016 – the Director of Corporate and Legal Affairs was requested to provide an indicative date for the Trust Board thinking day session on Lean techniques (likely to be scheduled in the second half of 2016-17), noting the Committee’s preference for this to take place as soon as practicable; | DCLA |
| (c) Minute 40/16/3 of 28 April 2016 – the Chief Operating Officer reported that an update on demand and capacity modelling would be presented to the Executive Strategy Board or the Executive Quality Board in June 2016 and a report would feature on the 30 June 2016 IFPIC agenda; | COO |
| (d) Minute 41/16/3 (b) of 28 April 2016 – Colonel (Retired) I Crowe had not yet received a briefing note on the scope of the near patient testing project and the Trust Administrator was requested to progress this action with the Chief Information Officer (outside the meeting); | TA |
| (e) Minute 42/16/1 (a) of 28 April 2016 – the Chief Operating Officer confirmed that feedback had been provided to the cancer LIA team in respect of the positive contribution that the ‘next steps’ booklet had made towards improving cancer patient experience; | |
| (f) Minute 42/16/1 (B) of 28 April 2016 – a detailed update on the implementation of the recently piloted re-admissions tool would be provided at that afternoon’s QAC meeting. Consequently the agreed action for the Chief Operating Officer to provide a separate briefing to Colonel (Retired) I Crowe, Non-Executive Director had been superseded and would be removed from the progress log (paper B); | TA |
| (g) Minute 17/16/3 of 25 February 2016 – the Director of Estates and Facilities confirmed that the Board Assurance Framework had been updated in respect of principal risk 11 (Estates Infrastructure Capacity) and an update would be provided to IFPIC on 30 June 2016; | DEF |
| (h) Minute 4/16/5 of 28 January 2016 – following an exchange of emails between the Chief Operating Officer and Colonel (Retired) I Crowe, Non-Executive Director, it was proposed that a Trust Board thinking day would be scheduled in July 2016 to review the UHL Outpatient Strategy (to include EPR benefits and opportunities to increase standardisation between clinics); | DCLA |
| (i) Minute 8/16/1 of 28 January 2016 – the next formal update on Optimisation of Medicines Delivery (OptiMeD) was provisionally scheduled on the IFPIC agenda for 30 June 2016; | CFO |
| (j) Minute 137/15/3 (b) of 17 December 2016 – appropriate efficiency metrics had been developed for the reporting of CIP progress to the Trust Board. This action to be marked as complete and removed from the progress log, and | TA |
| (k) Minute 123/15 (c) of 26 November 2016 – the Director of Estates and Facilities reported verbally on progress towards the development of an estates ‘route map’, noting that work had been completed in respect of the LGH site, but the outputs of the demand and capacity modelling were still required to inform the Trust’s Development Control Plan. Consideration of the estates ‘route map’ was provisionally re-scheduled for the 30 June 2016 IFPIC meeting. | DEF |
| <u>Resolved</u> – that the matters arising report and any associated actions above, be noted. | NAMED LEADS |

Further to Minute 111/15/3 of 29 October 2015, the Head of Procurement and Supplies attended the meeting to introduce paper C, briefing the Committee on recent progress with the 3 year Procurement Strategy and providing a summary of the benefits currently being delivered to the Trust. IFPIC members particularly welcomed the Trust's formal accreditation to Level 1 on the NHS Standards of Procurement, noting that UHL was the first NHS Trust to attain this standard nationally.

Discussion took place regarding the development of benchmarking data, CIP savings, catalogue usage, workforce development and the repatriation of facilities management services. The Trust was currently exploring the development of a joint Procurement Adviser post with LPT and a dedicated Category manager was being appointed to co-ordinate the Estates and Facilities related procurement.

The 2015-16 CIP target of £4.7m had been achieved and progress was on track towards achieving a further £8m of savings in 2016-17. Challenges were noted in relation to increasing clinical standardisation (eg surgeons' gloves) and development of more strategic pipeline CIP schemes for future years. A recent management of change process had resulted in some supplies team roles being merged and this had resulted in an adverse impact upon staff morale. Since then, additional equipment had been provided and the position was being monitored closely through the LiA Pulse Check process.

The Trust Chairman highlighted staff concerns relating to ward level linen distribution, medical devices inventories, and competitive pricing for minor estates works. The Director of Estates and Facilities noted these issues and commented upon opportunities to harmonise the various visits and deliveries to ward areas and ensure that best value was provided within minor works schemes. He undertook to provide a progress report on the above issues at the 30 June 2016 IFPIC meeting.

Mr A Johnson, Non-Executive Director sought and received additional information in respect of the arrangements for developing key suppliers/contracts. In response, the Head of Procurement and Supplies advised that the top 50 contracts within the Trust had been identified and regular meetings were held to monitor the performance of each supplier and discuss any development opportunities. The Chief Financial Officer commented upon the benefits of transparent contract pricing and he welcomed the national development of a database to collate such data. The Head of Procurement and Supplies was a member of the tender evaluation panel for the procurement of this national benchmarking tool.

Finally, the Chief Executive recorded his acknowledgement of the significant input of the Procurement Team in relation to achieving compliance with the HSE Improvement Notice for safer sharps.

Resolved – that (A) the progress report on implementation of the UHL Procurement Strategy be received and noted;

(B) the Head of Procurement and Supplies be requested to:-

- (1) continue to explore opportunities to appoint a joint UHL/LPT Procurement Adviser;**
- (2) progress the appointment of a dedicated Category Manager for Estates and Facilities related procurement, and**
- (3) present a further update on the UHL Procurement Strategy to the 27 October 2016 IFPIC meeting, and**

HPS

(C) the Director of Estates and Facilities be requested to provide an update on Ward level linen distribution, medical devices inventories, and competitive pricing for minor estates works to the 30 June 2016 IFPIC meeting.

DEF

52/16/2 Annual Planning 2016-17

Further to Minute 40/16/3 of 28 April 2016, paper D1 provided the additional financial planning detail underpinning the Annual Operational Plan (AOP) submission on 18 April 2016. Appendix 3 set out the 2016-17 Capital Plan scenarios and sought the Committee's approval to constrain the Trust's capital expenditure within scenario B until the end of June 2016. In the meantime, a detailed review of the risks associated with approved and non-approved capital expenditure within scenario C would be undertaken at the 7 June 2016 EQB meeting.

CFO

The Committee endorsed this transparent approach and agreed that the outstanding discretionary investments and expenditure (cost pressures) outlined in sections 3.7 and 3.8 would be reviewed by the Chief Executive, Chief Financial Officer, Chief Operating Officer, Medical Director and Chief Nurse (outside the meeting). As previously agreed, the Trust's income and expenditure profile would be reported both inclusive and exclusive of Sustainability and Transformation Funding (STF). The Chief Financial Officer also briefed the Committee on the potential impact of phasing differences between the AOP submission and the budget setting process, advising that his request to resubmit the AOP with the corrected phasing had been declined.

CE/CFO
/COO/M
D/CN

Papers D2 to D4 had not been circulated and were withdrawn prior to the meeting. The information surrounding the Capital Programme (paper D2) and the Cost Improvement Programme (paper D3) had been incorporated into the Financial Plan (paper D1). However, the expected update on Demand and Capacity Modelling (paper D4) was deferred to the 30 June 2016 IFPIC meeting.

Resolved – that the 2016-17 Financial Plan be approved, subject to completion of the actions described in resolutions (B) and (C) below;

(B) a risk-based overview of the schemes currently excluded from the 2016-17 capital planning scenarios be presented to the June 2016 EQB meeting, and

CFO

(C) a meeting be held to consider and agree the outstanding cost pressures for 2016-17 (suggested attendees identified above).

CE/CFO/
COO/MD/
CN

52/16/3 Briefing on the 2016-17 Contracts with Clinical Commissioning Groups and NHS England

IFPIC received the briefing note provided at paper D5 and obtained additional assurance that the activity numbers had been modelled through each specialty. Discussion took place regarding the clinical coding process and successful recruitment to clinical coding posts (including the opportunity to develop an apprentice model in clinical coding). Members noted the potential impact of the mismatch between demand and capacity in key services. The Committee agreed to receive quarterly Contract updates and these would be scheduled on the calendar of business going forwards.

DWOD

TA

Resolved – that (A) the Director of Workforce and Organisational Development be requested to explore the scope to introduce apprenticeship opportunities with the Clinical Coding Team, and

DWOD

(B) quarterly updates on the CCG and NHS England contracts be scheduled on the IFPIC calendar of business.

TA

52/16/4 Review of Month 12 Pay Expenditure 2015-16

Further to Minute 40/16/1 of 28 April 2016, paper E1 provided a further analysis of the month 12 peak in agency expenditure and the lessons learned as a result of the review. Following discussion on this item, the Committee Chairman queried the scope to re-apportion the year-end increases in pay expenditure into the relevant preceding months to

make the data more meaningful. The Trust Chairman sought and received assurance that the learning points had been disseminated at CMG level.

Resolved – that the review of Month 12 Pay Expenditure and the lessons learned be received and noted as paper E1.

52/16/5 Month 1 Financial Performance 2016-17

The Chief Financial Officer introduced paper E2, providing a summary of performance against the Trust's key financial duties, including delivery against the planned income and expenditure deficit of £8.3m with a capital plan of £108.3m as at the end of April 2016. The in-month deficit stood at £5.8m (£0.2m adverse to plan) and agency staffing costs were £2.1m (compared to the planned £2m).

IFPIC members welcomed the new format of this report and the Chief Financial Officer commented upon each section, highlighting key pieces of data and the rationale for their inclusion in the report. He invited IFPIC members to comment on any areas for improving the format, although expressing a desire to retain a concise approach without exceeding the 20 pages already provided. In discussion on the report:-

- (a) the Chief Executive provided clarity that the Trust had signed up to using its best endeavours in order to achieve the performance standards associated with Sustainability and Transformation Funding (STF). However, caveats had been provided in respect of 62 day cancer performance (which was not expected to be fully compliant until September 2016) and 4 hour ED performance and some degree of performance management measures might be expected in the meantime;
- (b) the Committee commented upon disappointing performance against the Better Payment Practice Code (BPPC) and agreed that proposals for improving performance would be provided to the June 2016 IFPIC meeting (if the data was validated as 17% of invoices of invoices being paid within the 30 day target);
- (c) Mr A Johnson, Non-Executive Director requested the inclusion of identifier labels for the income and expenditure bridge provided on page 5 and an amendment to the headings on page 8 to indicate WTE (wherever applicable). He also requested that the planned position be reported alongside the actuals throughout the year, and
- (d) the Committee Chair queried the scope to reappportion additional agency costs incurred during April 2016 as part of the accruals process into the relevant preceding months to make this date more meaningful.

Resolved – that (A) the month 1 Financial Performance report (paper E2) and the subsequent discussion on this item be received and noted, and

(B) consideration be given to incorporating the presentational changes identified in notes (c) and (d) above within future iterations of the report, and

CFO

(C) a briefing on Better Payment Practice Code (BPPC) performance be provided to the June 2016 IFPIC meeting (if the disappointing performance for 2015-16 was validated).

CFO

52/16/6 Cost Improvement Programme

The Director of CIP and Future Operating Model presented paper F1, noting actual CIP delivery of £1.703m against the month 1 target of £2.025m (an adverse variance of £0.322m). Assurance was provided regarding a number of schemes which were due to start delivering savings in month 2. The outputs of a comprehensive CIP quality and safety impact assessment process had been considered by the Executive Quality Board and a related presentation had been well-received by the CCGs. Paper F2 provided an update on the Beds cross-cutting CIP theme.

Resolved – that the CIP progress report and cross-cutting Beds CIP update be received and noted as papers F1 and F2.

53/16 STRATEGIC MATTERS

53/16/1 Workforce Update

The Director of Workforce and Organisational Development presented paper G, providing the monthly update on key workforce metrics, noting the intention to re-format the structure of this report following her recent meeting with the Committee Chair. Members noted the development of a new Applicant Portal which was planned to be demonstrated at the 9 June 2016 Trust Board thinking day on recruitment. Meeting dates had now been arranged for the recently established nursing workforce task and finish group, but assurance was provided that significant work was already taking place within the pre-existing workstreams.

A particular focus was being maintained on improving staff retention and reducing variability in premium pay rates. The Trust Chairman and the IFPIC Chair briefed the Committee on recent discussions held with the University of Leicester and DeMontfort University regarding the exploration of joint education initiatives going forwards. In considering the future format of the monthly Workforce updates to the Committee, members suggested the inclusion of metrics to demonstrate performance against the agency staffing caps and equality and diversity data. In addition, this data would also require inclusion in the monthly quality and performance report and the associated dashboard.

The Chief Executive drew members' attention to figure 1B on page 6 of paper G, detailing the CMG and Corporate level vacancies data. He invited the Director of Workforce and Development to consider implementing a more meaningful system of RAG-ratings in recognition of the fact that 100% recruitment was unlikely to be achieved.

Resolved – that (A) the Workforce Update report (paper J) and the subsequent discussion be noted;

(B) the Director of Workforce and Organisational Development be requested to update the future format of this report to include additional data identified through discussion with the Committee Chair and the discussion at this meeting, and

DWOD

(C) the outputs of the nursing workforce task and finish group be reported to IFPIC via the monthly Workforce update reports.

DWOD

54/16 PERFORMANCE

54/16/1 Month 1 Quality and Performance Report

Paper H 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 2016. The Director of Performance and Information updated the Committee on RTT performance and the impact of ENT capacity issues. Diagnostics performance was compliant for April 2016 and indications were that May 2016 would also be compliant. He briefed the Committee on the main areas of concern relating to 2 week wait and 62 day cancer performance, advising that an overseas locum for Head and Neck Cancers had been appointed (subject to visa requirements). Further discussion took place regarding ambulance handover times and e-referrals metrics.

Colonel (Retired) I Crowe, Non-Executive Director queried the arrangements for reporting and monitoring of e-referral performance and slot availability data (previously known as Choose and Book). This data had been removed from the Quality and Performance

reporting mechanism. In response, the Director of Performance and Information commented upon the actions required to meet the CCG standard to make 95% of referrals through the e-referrals system by 2018. Proposals for monitoring progress would be presented to the 30 June 2016 IFPIC meeting.

COO/
DPI

Resolved – that (A) the month 1 Quality and Performance report be received and noted as paper H, and

(B) the Director of Performance and Information be requested to present proposals for monitoring e-referrals data to the 30 June 2016 IFPIC meeting.

DPI

54/16/2 East Midlands Pathology Service (Empath)

Mr N Callow, Finance Director and Dr A McGregor, Medical Director attended the meeting from Empath to present the Empath Annual Plan for 2016-17 (paper I1) and the quarterly update on Empath's financial and operational performance (paper I2). The Empath Annual Plan had previously been approved by the Empath Strategic Executive Committee which was attended by Executive Directors of both Trusts (UHL and NUH). Particular discussion took place regarding the timescales for development of the outline business case, positive staff engagement in the partnership approach, cellular pathology turnaround times, cancer turnaround times (especially in lung cancer), and improvements in electronic ordering of tests. The Chief Executive advised that e-ordering was being rolled out within outpatients during 2016-17 and this was expected to significantly improve compliance.

Resolved – that (A) the Empath Annual Plan for 2016-17 be supported as presented in paper I1, and

(B) the quarterly update on Empath's financial and operational performance be received and noted as paper I2.

55/16 **SCRUTINY AND INFORMATION**

55/16/1 IFPIC Calendar of Business 2016-17

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

55/16/2 Updated Timetable for UHL Business Case Approvals

Resolved – that the updated timetable for Strategic Business Case Approvals be received and noted as paper K.

55/16/3 Executive Performance Board

Resolved – that the notes of the 26 April 2016 Executive Performance Board meeting be received and noted as paper L.

55/16/4 Capital Monitoring and Investment Committee

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

55/16/5 Revenue Investment Committee

Resolved – that the notes of the 15 April 2016 Revenue Investment Committee meeting be received and noted as paper N.

56/16 **INVESTMENT BUSINESS CASES**

Resolved – that no business cases were submitted for consideration at the 26 May 2016 IFPIC meeting.

57/16 CLINICAL MANAGEMENT GROUP PRESENTATION

57/16/1 Emergency and Specialist Medicine (ESM)

Following an informal discussion over the lunchtime period, the Clinical Director, General Manager, Deputy Head of Operations, Head of Nursing, HR Lead and Finance Lead attended from the Emergency and Specialist Medicine CMG to introduce a slide presentation (previously circulated as paper O), providing an overview of their current financial and operational performance, key risks, achievements and areas where additional Trust Board support would be welcomed. The presentation slides were taken as read and the presentation team drew the Committee's attention to the following key issues:-

- (a) recent success in the Health Service Journal awards, noting that UHL's Emergency Department had won 2 awards for international recruitment and training and development (respectively);
- (b) repatriation of all ESM's outlying activity within the CMG's own bed base;
- (c) delays in implementing a 1 month trial for enhanced bank rates (pending the provision of an appropriate 'extra duty' form from Payroll services). This issue would be escalated by the CMG's HR Lead for urgent resolution;
- (d) an upwards trend in 4 hour ED performance and the arrangements for embedding the positive aspects of rapid cycle testing. Improvements in time to assessment within ED and the need for a continued focus on management of sepsis were recognised;
- (e) data quality issues which had adversely affected ambulance handover performance – an analysis was being undertaken of those patients who had been allocated a low priority status by EMAS prior to delayed transportation;
- (f) financial performance – the month 1 income and expenditure deficit stood at £1.731m deficit against the planned deficit of £1.81m, and
- (g) proposed re-development of the permanent Neurology Rehabilitation Unit (Wakerley Lodge) on the LGH site.

The Chief Executive congratulated the CMG on their significant achievements in reducing ambulance handover delays and times to initial assessment within ED. He also highlighted the need for additional focus in respect of improving the sepsis pathway, recognising the complex nature of this workstream and the associated contribution towards improving patient safety.

Resolved – that (A) the CMG presentation (paper O) and the subsequent discussion be noted;

(B) the CMG HR Lead be requested to escalate her concerns relating to the provision of an 'extra duty' payroll form to support the implementation of a pilot scheme to reduce agency expenditure, and

**CMG
HR
Lead**

(C) the Director of Estates and Facilities and the Chief Financial Officer be requested to continue to progress the strategic discussions surrounding the release of capital funding in order to refurbish the Wakerley Lodge Neurology Rehabilitation Unit on the LGH site.

DEF

58/16 ANY OTHER BUSINESS

Resolved – that no items of other business were noted.

59/16 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

TA/

Resolved – that (A) a summary of the business considered at this meeting be presented to the Trust Board meeting on 2 June 2016, and

Chair

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

- Minute 52/16/1 – Review of the UHL Procurement Strategy;
- Minute 52/16/2 – Financial Plan 2016-17;
- Minute 52/16/4 – Review of Month 12 Pay Expenditure 2015-16;
- Minute 52/16/5 – Month 1 Financial Performance;
- Minute 53/16/1 – Workforce update;
- Minute 54/16/1 – Month 1 Quality and Performance report;
- Minute 54/16/2 – East Midlands Pathology Service (Empath), and
- Minute 57/16/1 – Presentation from the Emergency and Specialist Medicine CMG.

60/16 DATE OF NEXT MEETING

Resolved – that the next meeting of the Integrated Finance, Performance and Investment Committee be held on Thursday 30 June 2016 from 9am to 1pm in the Board Room, Victoria Building, Leicester Royal Infirmary.

The meeting closed at 1.04pm

Kate Rayns, **Trust Administrator**

Attendance Record 2016-17

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	2	2	100	S Dauncey	2	2	100
J Adler	2	1	50	R Mitchell	2	2	100
I Crowe	2	2	100	P Traynor	2	2	100

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Gordon	2	2	100	R Moore	2	2	100
A Johnson	2	2	100	K Singh	2	2	100
D Kerr	2	2	100				