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UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 1 June 2017

COMMITTEE: Integrated Finance, Performance and Investment Committee

CHAIR: Mr M Traynor, Non-Executive Director)

DATE OF MEETING: 25 May 2017

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 July 2017.

SPECIFIC RECOMMENDATIONS FOR THE PUBLIC TRUST BOARD:

None

SPECIFIC DECISIONS:

None

DISCUSSION AND ASSURANCE:

- **Trust readiness for a terrorist attack** – in light of the escalation of the UK national security threat level to critical, the Chief Operating Officer confirmed that (in conjunction with appropriate partners) the Trust had reviewed its major incident plans and checked its readiness for a terrorist attack. A major incident plan exercise was also scheduled for July 2017.
- **2017-18 month 1 financial performance** – month 1 and year-to-date financial performance was in line with plan, at an £8.9m deficit position. Further work was underway to validate the month 1 agency spend position (also in line with plan at £1.9m), in light of certain coding issues within the Musculoskeletal and Specialist Surgery CMG. Non-pay costs remained high, but were off-set by related patient income for high-cost therapies. Progress in delivering the required £18m finance improvement and technical workstream would be tracked monthly, and although challenging was currently on plan as of month 1. Although noting the overall good start to 2017-18 financial performance (and the need to maintain this), IFPIC recognised that the position would become considerably more challenging as the year progressed. IFPIC was advised that the income and expenditure monthly profile appropriately factored in the number of working days per month. IFPIC also discussed issues relating to bank and agency spend to fill establishment vacancies, and noted the steps being taken to increase substantive recruitment and minimise longterm agency locum placements. IFPIC received assurance that there was an appropriate focus on maintaining quality and safety.
- **Cost pressure and discretionary investment decision-making (Star Chamber)** – the Chief Executive briefed IFPIC on the outcome of the 'Star Chamber' discussions re: 2017-18 discretionary investments and resulting cost pressures as detailed in paper E. The outcome of that Star Chamber review had also been discussed in detail at the 23.5.17 Executive Performance Board, noting that further work was underway to identify the additional funding needed for demand and capacity measures. Although no concerns had been voiced at EPB re: the schemes categorised as 'must dos' by the Star Chamber, it was not possible to sign off those schemes until that further demand and capacity requirement was known.
- **Capital programme 2017-18** – paper G provided further detail on the individual schemes within the 2017-18 capital programme (that plan already having been approved at the 4.5.17 Trust Board as part of the Annual Operational Plan 2017-19). The Chief Financial Officer noted the very challenging nature of the 2017-18 capital programme, which included an approximate £10m cost pressure arising from Emergency Floor expenditure and Managed Equipment Service requirements. The capital programme had also been

discussed at the 23.5.17 Executive Performance Board, which had requested that the Chairs of the IM&T/estates/medical equipment capital subgroups clarify what could/could not be delivered through the 2017-18 capital plan – that report would be presented to the June 2017 meetings of the Executive Performance Board and IFPIC. In response to Non-Executive Director queries, it was noted that there might potentially be capital elements to the demand and capacity business case currently being developed, and that the Trust had capital schemes ready in the event that additional national capital became available.

- **Contract update 2016-17 and 2017-19** – the Head of Contracts attended to brief members on 2016-17 contract performance and on the 2017-19 contract as per paper H. The Trust aimed to resolve outstanding 2016-17 contract disputes with CCGs by the end of June 2017. In respect of 2017-19, the contract amounted to £464m with LLR CCGs and £257m with NHS England (specialised commissioners), and the Head of Contracts noted the agreement reached that all activity through the new Emergency Floor would be funded at national tariff with no local tariff arrangements. A block payment had been agreed between LLR CCGs and UHL for the first quarter of 2017-18 in respect of Emergency Floor activity.
- **Cost improvement programme (CIP) 2017-18: month 1 position** – paper I noted an adverse variance of £0.8m against plan in respect of month 1 CIP delivery (actual delivery of £1.24m against planned delivery of £1.32m). £27m of the 2017-18 £33m CIP was identified to date, with the majority of the outstanding £6m scheduled to be identified by the time of the June 2017 Executive Performance Board and IFPIC meetings. IFPIC noted that the Mr S Barton had been appointed as the Trust's new Director of Operational Improvement, and thanked him for his good work on CIPs in his previous post as Director of CIP and Future Operating Models.
- **Electronic rostering contract renewal** – this item was deferred to enable further work, and would be presented to the 29.6.17 IFPIC.
- **Corporate services review** – the Director of Workforce and OD provided a verbal update on the internal corporate services review and the LLR STP review of back office functions, noting the broad savings target set for each. A draft project initiation document for the corporate services review would be presented to the 29.6.17 IFPIC. UHL had also been allocated onto the NHS England pilot programme review of back office functions.
- **Organisation of care programme: balancing demand and capacity (including beds cross-cutting CIP theme)** – paper M set out the latest demand and capacity modelling, final performance trajectories and next steps within the action plan, noting the key aspects of ED and beds.
- **Workforce and organisational development plan update** – paper N provided a comprehensive update on UHL's Workforce and Organisational Development Plan, noting a continued UHL and NHS Improvement focus on agency spend. A regional Memorandum of Understanding was now in place covering 8 Trusts. It was noted that an Internal Audit report on recruitment processes was being presented to the 26.5.17 Audit Committee and had a 'low risk' rating, with all issues raised in the audit report already incorporated into an appropriate HR action plan. Visibility on 'time to hire' blockages continued to improve, with the average having reduced to 56.4 days in clinical areas and 58.1 days in corporate areas (against the target of 47 days). The Director of Workforce and OD also advised that 434 potential posts had been identified (through a training needs analysis) in respect of the 334 apprenticeship target for 2017-18 – work was now underway to review those findings and convert them to actual apprenticeship posts where appropriate/feasible. The Director of Workforce and OD also noted the contents of the report in respect of sickness absence (currently above target at 3.45%), workforce diversity (slight improvement in respect of BME staff and BME managers), and leavers. In discussion, IFPIC commented on the Trust's good work in respect of the Princes Trust, and the mutual benefits for both UHL and the young people involved in that programme.
- **Emergency care performance** – as requested at the 4.5.17 Trust Board, IFPIC held a detailed discussion on emergency care performance, informed by a presentation from the Chief Executive which diagnosed the challenges and set out the various 'treatments' currently underway. The Medical Director and the Chief Nurse attended the meeting for this item, and IFPIC noted a declaration of interest from the Trust Chairman in respect of Lakeside House. The various treatments detailed in paper P included measures relating to bed capacity; efficient use of beds; discharge delays; ED overnight and evening performance issues; leadership, and 'organising for improvement' (noting the key role of the new organisation of care programme led by Mr S Barton Director of Operational Improvement). The presentation also covered how UHL was learning from others, progress on the front door model, ED performance, and improved performance on ambulance handovers. In-depth discussion took place on this item, with Non-Executive Directors particularly commenting on the importance of rota'ing people as a team and thus fostering an appropriate team culture, on the ability to predict ED activity and therefore staffing needs, and on the various models of leadership used in EDs. The Chairman emphasised that emergency care performance was a key issue for the Trust Board, and he requested that the list of tabled questions be reflected in the structure of future reports on this

issue (as it had informed the presentation). The Chief Executive advised that his presentation was being adapted into an organisation of care action plan progress on which would be monitored through the monthly emergency care report to the Trust Board. It was agreed that IFPIC would receive a detailed quarterly update on emergency care performance, similar to the discussion held at today's meeting.

- **Reports for Scrutiny and Information** – the Committee received and noted the following documents:-
 - NHS Improvement Deep Dive final report;
 - Timetable for UHL business case approvals;
 - IFPIC calendar of business 2017-18;
 - Minutes of the 25.4.17 Executive Performance Board;
 - Minutes of the 12.4.17 Capital Monitoring and Investment Committee, and
 - Minutes of the 12.4.17 Revenue Investment Committee.
- **Any Other Business** – none noted.

JOINT IFPIC-QAC MEETING TO DISCUSS THE QUALITY AND PERFORMANCE REPORT (MONTH 1)

Members of IFPIC and the Quality Assurance Committee (QAC) then held their first joint monthly meeting – this was a new initiative providing for joint discussion of the monthly quality and performance report. Executive Directors particularly highlighted the following issues from the 2017-18 month 1 quality and performance report:-

- the welcomed reduction in 52-week waits, which stood at 17 in April 2017 and was expected to fall further in May 2017. It was anticipated to clear these waiters in July 2017;
- strong diagnostic performance in April 2017, and good progress towards achieving the RTT standard;
- a better balance between emergency and elective activity than in April 2016. The Trust was running at between 96%-97% occupancy for May 2017 and had been above 95% occupancy for a significant length of time;
- achievement of all of the cancer targets for March 2017, which was a very significant development and which was welcomed by the IFPIC and QAC Patient Partners. The 62-day standard had been achieved for the first time since July 2014, and the 31-day standard for the first time since August 2015;
- good progress on avoidable pressure ulcers, with 0 grade 3 or grade 4 pressure ulcers reported in April 2017;
- the likelihood of continued same sex accommodation breaches – which were nearly all linked to ICU stepdown capacity – while activity pressures remained in place;
- disappointing performance re: fractured neck of femur – this had been discussed at the 23.5.17 Executive Performance Board with the Clinical Director for the Musculoskeletal and Specialist Surgery CMG. There were no easy solutions but the issue was being revisited by the steering group with a view to reporting further to the 27.7.17 QAC, and
- further work underway re: medical workforce statutory and mandatory training compliance.

In discussion, the QAC Patient Partner sought (and received) assurance on the Trust's processes for reviewing cancelled patients, particularly those who had experienced multiple cancellations. It was also noted that the e. coli trajectory was still awaited, and that mortality would be discussed further at the 25.5.17 QAC (UHL SHMI 102). The Medical Director also noted a number of never events which had taken place in May 2017 and outlined the work in progress with Clinical Directors and Heads of Nursing to understand these in more detail and identify any common themes. IFPIC/QAC noted likely external interest in this issue.

DATE OF NEXT COMMITTEE MEETING: 29 June 2017

Mr M Traynor – Non-Executive Director and IFPIC Committee Chair
25 May 2017