

Trust Board paper O3

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

REPORT BY TRUST BOARD COMMITTEE TO TRUST BOARD

DATE OF TRUST BOARD MEETING: 9 January 2020

COMMITTEE: Finance and Investment Committee (FIC)

CHAIR: Mr M Traynor, Non-Executive Director and FIC Chair

DATE OF COMMITTEE MEETING: 28 November 2019

RECOMMENDATIONS MADE BY THE COMMITTEE FOR PUBLIC CONSIDERATION BY THE TRUST BOARD:

- None

OTHER KEY ISSUES IDENTIFIED BY THE COMMITTEE FOR NOTING BY THE PUBLIC TRUST BOARD:

- Minute 116/19/1 – month 7 financial performance;
- Minute 116/19/5 – Patient Level Information and Costing System (PLICS), and
- Minute 116/19/7 – Productivity Improvement Programme and presentation on clinical coding.

DATE OF NEXT COMMITTEE MEETING: 19 December 2019

Mr M Traynor, Non-Executive Director and FIC Chair

UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST

**MINUTES OF A MEETING OF THE FINANCE AND INVESTMENT COMMITTEE (FIC), HELD ON
THURSDAY 28 NOVEMBER 2019 AT 8:30AM 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 C Benham – Acting Chief Financial Officer
Ms K Jenkins – Non-Executive Director
Mr A Johnson – Non-Executive Director
Mr K Singh – Trust Chairman (non-voting ex-officio)

In Attendance:

Ms L Gale – Head of Financial Planning and Analysis (from part of Minute 115/19)
Mr W Jones – Transformation Lead (for Minute 116/19/7)
Mr V Karavadra – Associate Non-Executive Director
Ms M Khiroya – Managing Director/Superintendent Pharmacist, TrustMed Pharmacy (observing)
Mr S Lee – Head of Finance – Costing (for Minute 116/19/5)
Mr A Middleton – Property Manager, Estates and Facilities (for part of Minute 115/19)
Ms S Priestnall – Head of Information (for Minute 116/19/7)
Mrs K Rayns – Corporate and Committee Services Officer
Mr B Shaw – Director of Productivity (from part of Minute 116/19/2)
Mr N Sone – Financial Controller
Ms N Topham – Reconfiguration Programme Director (on behalf of Mr D Kerr, Director of Estates and Facilities)
Ms L Wall – Head of Contracts (for Minute 117/19/2)
Mr M Wightman – Director of Strategy and Communications

RESOLVED ITEMS

ACTION

112/19 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms R Brown, Chief Operating Officer and Mr D Kerr, Director of Estates and Facilities.

113/19 DECLARATIONS OF INTEREST

The Acting Chief Financial Officer and Mr A Johnson, Non-Executive Director declared their respective roles as Finance Director and Company Secretary and Non-Executive Chair of Trust Group Holdings Ltd. The Committee Chair also declared his role with the Cabinet Office as Small Business Crown Representative in relation to Minute 116/19/3 below and the impact of delayed NHS payments to small businesses. As these were judged by the Committee to be non-prejudicial interests, they remained present at the meeting.

Resolved – that the declarations of interest be noted.

114/19 MINUTES

Resolved – that the Minutes of the 31 October 2019 Finance and Investment Committee meeting (papers A1 and A2) be confirmed as correct records.

115/19 MATTERS ARISING

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 the effective conduct of public affairs.

116/19 KEY ISSUES FOR DISCUSSION/DECISION

116/19/1 2019/20 Month 7 Financial Performance

The Acting Chief Financial Officer introduced paper C advising that the Trust had achieved a year-to-date financial deficit of £31m, excluding Provider Sustainability Funding (PSF), Financial Recovery Funding (FRF) and Marginal Rate Emergency Tariff (MRET). Including PSF/FRF/MRET, the Trust had achieved a year-to-date deficit of £13m which was in line with plan. In presenting the report, the Acting Chief Financial Officer drew members' attention to the following key issues:-

- (a) operational over-performance in Emergency and Urgent Care and the impact on elective activity;
- (b) the accelerated use of £1.5m central reserves which had since been partly offset by an improvement of £800k in the fully coded position for clinical care delivered in month 7;
- (c) the cumulative effect of the Medical Pay Award which had resulted in a zero impact on the overall income and expenditure bottom line;
- (d) positive progress with the CIP Programme which was expected to over-deliver;
- (e) System-level affordability of current activity levels, and
- (f) the need to deliver additional financial recovery actions to close the planning gap of £7.8m.

The Non-Executive Director Audit Committee Chair sought and received assurance about the improvements in the month 7 fully coded position and the proportion of this income that was expected to be achieved. She also re-iterated her request from 31 October 2019, for a deep-dive into the financial performance for the Cancer Haematology, Gastroenterology and General Surgery (CHUGGS) CMG, noting that this action had been omitted from the matters arising report for that meeting.

ACFO

The Committee Chair sought and received additional information about System-level affordability of clinical activity, noting in response that there was now a greater degree of alignment between UHL's and the CCGs' financial modelling and that a robust escalation/reporting process was in place to address any areas of variance between them.

Resolved – that (A) the 2019/20 month 7 financial position be received and noted, and

(B) an analysis of the financial performance for the CHUGGS CMG be scheduled for consideration at a future FIC meeting.

ACFO

116/19/2 Confidential Report by the Acting Chief Financial Officer

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 the effective conduct of public affairs.

116/19/3 Confidential Report by the Financial Controller

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 the effective conduct of public affairs.

116/19/4 Update on the 2019/20 Capital Programme

The Acting Chief Financial Officer introduced paper F, updating FIC on the Capital Programme for 2019/20 and advising that the Trust's bid for £10m of emergency capital had been approved by the Centre at Taunton, subject to final discussions between the

national leads for Estates and Facilities and UHL's Estates and Facilities team. He also briefed FIC on the successful national funding bid for 2 diagnostic CT machines in addition to the mammography diagnostic equipment funding previously advised, noting that a communications announcement was planned to be circulated in the near future.

ACFO

As per the Audit Committee Chair's request at the October 2019 FIC, paper F described the risk assessment process that had been undertaken for those areas of the Medical Equipment, Estates and Facilities and IM&T programmes which would not receive capital investment in 2019/20. Members considered any additional supporting information that might be provided to the Audit Committee Chair to provide her with the assurance she was seeking. It was subsequently agreed that the Corporate and Committee Services Officer would send her a copy of the State of the Nation report considered at the July 2019 Trust Board meeting and the Acting Chief Financial Officer would arrange for her to receive information on UHL's Medical Equipment Programme categorisation and prioritisation process.

CCSO

ACFO

Resolved – (A) that the update on the 2019/20 capital programme be received and noted as paper F;

(B) the Acting Chief Financial Officer be requested to arrange for a staff communications email to be circulated announcing UHL's successful bid for additional CT and mammography diagnostic equipment;

ACFO

(C) the Corporate and Committee Services Officer be requested to send a copy of the State of the Nation report from the July 2019 Trust Board meeting to Ms K Jenkins, Non-Executive Director (outside the meeting), and

CCSO

(D) the Acting Chief Financial Officer be requested to arrange for Ms K Jenkins, Non-Executive Director to receive a copy of the Medical Equipment Programme (outside the meeting).

ACFO

116/19/5 Patient Level Information and Costing System (PLICS) update

Mr S Lee, Head of Finance Costing attended the meeting to present paper G, providing an update on the implementation of the new PLICS software and to provide a demonstration of the live system. The new server and new software had been installed and it was hoped to roll the system out to the end users in January or February 2020. In addition to the established dashboards, clinicians would also have the ability to generate their own reports by HRG level and by Consultant, drilling down to individual patient episodes and providing a complete breakdown of the care provided.

During the discussion on this item, FIC members noted the key benefits of the new system (which was quicker and more efficient and offered greater granularity and transparency of the data). FIC also reviewed 2 examples of practical applications where PLICS data was being used to reduce unnecessary procedures within the coronary angiography service and to clarify the percentage of gastroenterology cancellations that had arisen as a result of medical or patient reasons. In respect of the first example, the Chief Executive highlighted the need to make any necessary adjustments to the catheter laboratory resources as a result of any sustained changes in coronary angiography activity.

Particular discussion took place regarding any potential links between PLICS data and the Red to Green workstream, alignment with the outputs of GIRFT reviews to identify warranted or unwarranted variations, and the development of thresholds for variances or professional objective-setting. In response to a query about the resources for rolling-out the system more widely, it was noted that a number of clinical leads had already been allocated specific PAs within their job plans and that the Transformation Leads were also appropriately engaged in this workstream. FIC members requested further information regarding the proposed implementation plan, noting (in response) the Chief Executive's

suggestion that it would be helpful for the Head of Finance Costing to present this information to a future Executive Performance Board (EPB), to sight the Clinical Directors to the potential benefits of improved data flows. EPB would then be able to consider and agree the next steps for the project in terms of roll-out and communications plans.

HFC

Resolved – (A) that the PLICS update be received and noted as paper G, and

(B) the Head of Finance Costing be requested to provide a PLICS presentation at a future meeting of the Executive Performance Board, with a view to agreeing the next steps in terms of the roll-out and communications.

HFC

116/19/6 Confidential Report by the Acting Chief Financial Officer

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 the effective conduct of public affairs.

116/19/7 UHL Productivity Improvement Programme (PIP) and Presentation on Clinical Coding

The Director of Productivity introduced paper H providing an overview of UHL's Productivity Improvement Programme, advising that savings of £27.5m had been identified against the 2019/20 target of £26.6m. FIC received progress updates on completed Getting It Right First Time (GIRFT) reviews, Integrated Leadership Programme training sessions and recent delays in progressing the arrangements for Section 106 agreements, noting that a meeting was being scheduled with the relevant Local Authorities to resolve any outstanding issues. It was also noted that UHL's Procurement Team had secured second place at an awards presentation the previous evening, but the award details would be reported to the December 2019 FIC meeting.

DoP

Ms S Priestnall, Head of Information and Mr W Jones, Transformation Lead attended the meeting to present a deep dive in respect of the Clinical Coding workstream, with a specific focus on Emergency Department (ED) coding and the importance of data quality within clinical coding. Discussion took place regarding the process for documenting diagnostic tests and treatments undertaken within the ED on NerveCentre, noting that this data was used to produce automated letters to patients' General Practitioners (GPs). Due to the high levels of emergency activity and the challenges relating to delivery of the 4-hour ED target, this information was not consistently being captured and (in some cases) the GP letters did not include all of the tests/procedures undertaken during that patient spell. The Chief Executive suggested that the solution to this issue would involve the development of an automated integral process on NerveCentre for ordering any tests or treatments. As an interim measure, a suitable interface between ICE and NerveCentre would provide a solution. The Chief Executive undertook to meet with the Acting Chief Information Officer to discuss the e-Hospital Programme (including the scope for implementation of an automated process for ordering tests through NerveCentre).

CE

The Director of Productivity also briefed FIC on the development of a new monthly productivity metric relating to expenditure per Hospital Episode Statistic Weighted Activity Unit (HES-WAU), noting that January 2019 had demonstrated a 14.4% improvement in UHL's productivity compared to January 2018. FIC noted that the deep-dive into Outpatient Productivity Improvements had been deferred to the December 2019 FIC meeting.

DoP

Resolved – that (A) the monthly update on UHL's Productivity Improvement Programme be received and noted as paper H, and

(B) the Director of Productivity be requested to arrange for the following information to be presented to the December 2019 FIC meeting:-

- (1) an update on the award that had recently been won by UHL's Procurement Team, DoP
- (2) a presentation on the theme of Outpatients productivity improvements, and DoP
- (C) the Chief Executive be requested to discuss the e-Hospital Programme with the Acting Chief Information Officer with a particular focus on the interface between ICE and NerveCentre and opportunities to improve clinical coding in ED. CE

117/19 ITEMS FOR ASSURANCE

117/19/1 Reconfiguration Programme Update and Timetable for Business Case Approvals

On behalf of the Director of Estates and Facilities, the Reconfiguration Programme Director introduced paper I, providing a high level overview of the next steps following the announcement of the £450m capital allocation the approvals process for the pre-consultation business case, and the likely impact of purdah leading up to the General Election on 12 December 2019. In response to a query from the Committee Chair, a short discussion took place regarding the application of capital charges and the cost of the interest payments on Public Dividend Capital. Assurance was provided that this aspect of the capital bid had been modelled into UHL's Long Term Financial Plan. A presentation and detailed discussion on the proposed arrangements for delivering UHL's Reconfiguration Programme was scheduled for the 12 December 2019 Trust Board thinking day.

CE

Resolved – that (A) the update on the Reconfiguration Programme and the proposed timetable for business case approvals be received and noted as paper I, and

(B) the proposed arrangements for delivering UHL's Reconfiguration Programme be presented to the Trust Board thinking day on 12 December 2019.

CE

117/19/2 Quarterly Contract Update

Ms L Wall, Contracts Manager attended the meeting to introduce paper J, providing the quarterly update on contractual performance against the NHS Standard Contracts for Acute and Specialised Services as at quarter 2 (September 2019). As at month 6, over-performance against the Acute contract stood at £10.8m and over-performance against the Specialised Services contract stood at £3.4m. Discussions were continuing with Commissioners to determine the drivers for this over-performance and the impact on delivery of statutory duties (eg waiting list targets). The report also provided an update on the quantum of contractual challenges, noting that a significant proportion of these related to complexity increases.

The Contracts Manager also briefed the Committee on the development of the 2020/21 contractual arrangements and the increased focus on patient quality and acuity to drive the transformation of patient pathways. At the Chief Executive's suggestion, the Committee agreed to receive regular reports on the practical implications of implementing the new contract with the Clinical Commissioning Groups for 2020/21 (in place of these contractual performance reports).

CM

Resolved – that (A) the quarterly contract update be received and noted as paper J, and

(B) the Contracts Manager be requested to present regular reports to FIC on the practical implications of implementing the new contract for 2020/21 (in place of the contractual performance reports).

CM

117/19/3 Development of the Pathology Network – 6 monthly update

Paper K provided a briefing on the current position in respect of the development of a Regional Pathology Network. The contents of this report were received and noted for information and a further update was scheduled for May 2020.

ICFO

Resolved – that (A) the briefing note on the development of the Regional Pathology Network be received and noted as paper K, and

(B) the next 6 monthly update report on the development of the Regional Pathology Network be scheduled for FIC consideration in May 2020.

ICFO

118/19 ITEMS FOR NOTING

Resolved – that the following items be received for noting:-

- (1) FIC calendar of business 2019/20 (paper L), and
- (2) Executive Performance Board action notes – 22 October 2019 (paper M).

119/19 ANY OTHER BUSINESS

Resolved – that no items of any other business were raised.

110/19 ITEMS TO BE HIGHLIGHTED TO THE TRUST BOARD

Resolved – that a summary of the business considered at this meeting be presented to the Trust Board meeting on 5 December 2019, and

FIC
Chair

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

- Minute 116/19/1 – month 7 financial performance;
- Minute 116/19/5 – Patient Level Information and Costing System (PLICS), and
- Minute 116/19/7 – Productivity Improvement Programme and presentation on clinical coding.

FIC
Chair

111/19 DATE OF NEXT MEETING

Resolved – that the next meeting of the Finance and Investment Committee be held on Thursday 19 December 2019 from **8.30am** to 11am in the Board Room, Victoria Building, Leicester Royal Infirmary. **

**** Post meeting note: the start time for this meeting was subsequently amended to 8am due to the volume of business on the agenda.**

The meeting closed at 11.38am

Kate Rayns, Corporate and Committee Services Officer

FIC Attendance Record 2019/20

Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
M Traynor (Chair)	8	8	100	A Johnson	8	7	88
J Adler	8	6	75	K Singh (Ex-officio)	8	7	88
R Brown	8	6	75	P Traynor (until 31.10.19)	7	6	86
K Jenkins	8	5	63	C Benham (Acting CFO from 1.11.19 to 31.12.19)	1	1	100

Non-Voting Members:

Name	Possible	Actual	% attendance	Name	Possible	Actual	% attendance
K Allan (Patient Partner) until 30.5.19	1	0	0	D Kerr	8	7	88
C Benham (DOF until 31.10.19)	7	6	86	M Wightman	8	7	88